

United States Congress

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‘MEDICARE AND YOU’ GUIDE SKEWS ADVICE TO SENIORS

Health policy leaders chide CMS, call for complete facts in future publications

Washington, DC – U.S. Senators Max Baucus (D-Mont.) and Jay Rockefeller (D-W.Va.) and U.S. Reps. Charlie Rangel (D-N.Y.), John Dingell (D-Mich.), Pete Stark (D-Calif.) and Sherrod Brown (D-Ohio) said today that a guide meant to help American seniors navigate the Medicare program fails to provide unbiased and accurate advice on health insurance and drug benefit plans. Medicare beneficiaries use the booklet to make choices among available Medicare benefits. In a letter to Health and Human Services (HHS) Secretary Michael Leavitt, the Senators and Representatives said that the 2007 “Medicare and You” guide omits or skews information to favor private health insurance plans over traditional Medicare offerings. The booklet also omits or skews important information Medicare beneficiaries need to choose coverage for prescription drugs, and advertises products that are not part of Medicare at all.

“The ‘Medicare & You’ guide needs to give seniors straight information about their health coverage options, period,” said Baucus. **“The Department of Health and Human Services has no business pushing one kind of coverage over another, or failing to give Medicare beneficiaries full and accurate information about health and drug benefit plans. Seniors trust this publication. HHS should honor that trust with the full, unbiased facts.”**

“Playing politics with the ‘Medicare & You Handbook’ is shameful,” said Rangel. **“Medicare is a trusted, reliable source of care for nearly 43 million Americans and the information provided by HHS should be straightforward and objective.”**

“The lack of accurate and understandable information for our seniors has been a chronic problem under this Administration,” said Dingell. **“Once again, the American people are not getting what they deserve - the straight facts.”**

“Our seniors deserve a clear and accurate description of their health care benefits under Medicare,” Rockefeller said. **“Unfortunately, this guide appears to direct seniors toward certain options and not others. It appears that they specifically tried to bias seniors’ opinions. The administration has a responsibility to present our seniors with all the options, in a clear and concise manner, which is all the more important given the complexity of this program. The administration should act immediately to correct this problem in all other materials related to Medicare, both online and in publication.”**

“The Bush Administration is using the taxpayer-funded ‘Medicare & You’ Handbook as a campaign ad for their political agenda to privatize Medicare,” said Stark. **“We must stand up for beneficiaries who might be misled by the Administration’s propaganda and sign up for a private plan that doesn’t meet their needs.”**

“Thanks to Republican leaders in White House and Congress, Medicare Advantage HMOs are intentionally overpaid by tens of billions of dollars,” said Brown. **“And now the Bush administration is using tax dollars to help market them? When did HMO profitability trump government accountability?”**

Baucus, Rangel, and Dingell are the Ranking Democrats on the Senate Finance Committee, House Ways and Means Committee, and House Energy and Commerce Committee, respectively. Rockefeller, Stark, and Brown are the Ranking Democrats on those panels’ subcommittees of jurisdiction over Medicare. The text of their letter follows here:

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October 25, 2006

The Honorable Michael O. Leavitt
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Mr. Secretary:

We are writing to express our dissatisfaction with the Medicare & You 2007 Handbook, which was recently sent by the Department of Health and Human Services (HHS) to America's more than 42 million Medicare beneficiaries. As you know, the Handbook is the only direct and comprehensive communication that all Medicare beneficiaries receive on an annual basis about the Medicare program. Medicare beneficiaries refer to it time and again throughout the year because of its thorough and authoritative nature.

As an official government document, the Handbook should be an objective guide to Medicare benefits, as well as the options and rights beneficiaries have for obtaining them. However, the 2007 Handbook presents a misleading and biased view of Medicare coverage and options. Overall, the 2007 Handbook strongly favors HMOs, PPOs, and other private Medicare Advantage (MA) plans over the traditional Medicare fee-for-service program, which it refers to as "Original Medicare."

For example, the Handbook repeatedly tells beneficiaries that their costs in MA plans "may be lower than in Original Medicare." However, the "Medicare Basics" section of the Handbook does not mention that MA plans set their own cost-sharing amounts that may be higher than traditional Medicare for specific services. And the "Medicare Advantage" section of the Handbook glosses over the fact that plans can charge more than traditional Medicare for significant services, such as hospital care, that may be disproportionately used by beneficiaries in less than optimal health. A recent study by The Commonwealth Fund found that some MA plans charge as much as \$300 per day for hospital care and \$5,600 for cancer chemotherapy. For beneficiaries in poorer health who get admitted to a hospital several times a year or need cancer care, MA costs could be far higher than traditional Medicare. The Handbook's lack of clarity on cost-sharing paints a distorted picture of MA plans and is inappropriate for an objective, taxpayer-funded publication and resource.

In addition, the 2007 Handbook fails to mention that MA plans are not required to offer—and most often do not offer—the same level of Parts A and B benefits as traditional Medicare. In contrast, the Handbook consistently promotes MA plans as offering "extra benefits" relative to traditional Medicare. However, a MA plan may skimp on the value of or otherwise increase cost-sharing for core benefits such as home health and physical therapy care relative to traditional Medicare, while offering coverage for items not normally covered under Medicare such as eyeglasses and gym memberships. Variations in benefits and cost-sharing—and corresponding implications for beneficiaries—are too numerous to delineate in a publication produced to inform all beneficiaries. The only appropriate reference would be to acknowledge that benefits and cost-sharing in MA plans differ from traditional Medicare and to refrain from the use of value judgments and general terms that apply neither to all MA plans nor to all beneficiaries who would enroll in them. In short, the Handbook fails to present a fair and balanced view of the trade-offs between MA plans and traditional Medicare.

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Moreover, the 2007 Handbook indicates that beneficiaries who are happy with their current coverage do not need to change in the coming year. This advice is improper as virtually all plans

make changes to their premiums, covered benefits, and cost sharing from year to year. Therefore, on an annual basis, beneficiaries must reevaluate their needs and any changes to their current plan for the upcoming year to determine if it is still the right fit for them.

In discussing the Medicare prescription drug benefit, the 2007 Handbook implies that changes to Medicare prescription drug plan formularies occur only as a result of changes in drug therapies or as new medical knowledge becomes available. This is untrue. Drug plans can and do change their formularies for business and other reasons, and beneficiaries should know this.

In addition, the 2007 Handbook discusses other products such as long-term care insurance and reverse mortgages that are not part of Medicare. HHS should not use the Medicare & You Handbook to advertise insurance products that are not affiliated with Medicare, particularly because such products may be inappropriate for many beneficiaries.

We continue to believe that future Handbooks must present unbiased, clear and comprehensive information on the Medicare program. We have consistently provided similar comments to the Administration over the past few years, but these concerns have been largely ignored. Even though the 2007 Handbook is now final, we urge you to consider our comments in light of other educational materials available to Medicare beneficiaries, such as the web-based tools for finding plans and comparing coverage options. Language used in the web-based tools is equally biased and problematic, but could be corrected virtually overnight. In addition, the web-based tool Medicare Options Compare allows a beneficiary to compare their current coverage with other private plan options. However, beneficiaries in traditional Medicare are only shown their costs in traditional Medicare compared to MA options; the tool does not reflect any other coverage they may currently have—e.g., Part D, retiree coverage and/or Medigap—thus providing an incomplete and misleading cost comparison.

In all cases, people with Medicare deserve balanced information so they can make well-informed choices among the options that Congress has made available to them through the Medicare program.

Thank you for your attention to this important matter. We look forward to your response.

Sincerely,

Max Baucus
John D. Rockefeller

Charles Rangel
Pete Stark

John D. Dingell
Sherrod Brown

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